

**Fresno, CA** – As food and gas prices and the national debt continue to rise to unacceptable heights, Congressman Jim Costa (D-Fresno) urged Congressional leaders to allow a full and fair debate on the taxpayer subsidization of corn-based ethanol. In a letter sent last week to President Obama, Treasury Secretary Timothy Geithner, Speaker of the House John Boehner, and Minority Leader Nancy Pelosi, Costa highlighted the \$6 billion price tag of corn-based ethanol subsidies and the skyrocketing food and gas prices that are the result of this misguided policy.

**“American taxpayers are footing the bill for corn-based ethanol subsidies that are causing gas prices, food prices, and our national debt to rise,”**

Costa said.

**“We ought to have a full and fair debate about the cost of these subsidies and the effect they have on the price of everyday goods in California. Ethanol is one tool in our energy toolbox, but the current ethanol policy is unsustainable.”**

American taxpayers currently subsidize the production of corn-based ethanol through a \$0.45 per gallon ethanol tax credit; the enforcement of the federal Renewable Fuel Standard (RFS), which mandates the use of ethanol; and a \$0.54 per gallon tariff on imported corn-based ethanol.

Costa’s letter is below:

*Dear President Obama, Secretary Geithner, Speaker Boehner, and Minority Leader Pelosi:*

*As Congress debates deficit reduction, tax reform, reauthorization of the Farm Bill and policies to promote trade there has never been a more appropriate time to revisit our ethanol policy. Subsidization of corn-based ethanol in particular is driving up input costs for farmers, ranchers and dairymen while also creating record-high food prices for American consumers.*

*The \$0.45 per gallon ethanol tax credit costs taxpayers more than \$6 billion a year – nearly double the \$3 billion in tax incentives oil and gas companies receive – and the result has been a financial burden for America’s livestock producers and financial hardship for many American*

*families struggling to put food on the table. Combined with the federal Renewable Fuel Standard (RFS), which mandates the use of ethanol, and a \$0.54 per gallon import tariff, which makes importing ethanol prohibitively expensive, corn-based ethanol is among the most heavily subsidized industries in America.*

*Given the need to rein in federal spending and focus our limited resources where they will do the most good I encourage the leadership of both parties to allow and encourage an open debate on our nation's ethanol policy. As members of Congress more thoroughly understand the costs and benefits of our ethanol policies I am confident we can come together to implement commonsense reforms that promote alternative energy production without driving up costs for farmers or consumers.*